

Warring Factions Back Geneva Plan For Divided Bosnia

GENEVA — Bosnia's warring factions agreed Friday to divide Bosnia-Herzegovina into three republics, an apparent first step toward the ethnic partition of the former Yugoslav republic.

Europe's Currency Grid Buckles As Traders Dare Central Banks

By Roger Cohen
PARIS — The European Monetary System, the cornerstone of exchange-rate stability within the European Community since 1979, was close to extinction Friday after speculators decided that France could no longer defend the franc and embarked on an all-out attack against it.

In U.S. Aide's Note, Signs Of His Malaise on the Job

By Ann Devroy and Michael Isikoff
WASHINGTON — White House officials have described a note left by Vincent W. Foster Jr. as a "written agreement with himself" about problems with his job as deputy White House counsel.



A Frankfurt stock trader shouting a late order as the DAX index slid to a 38-point loss because of currency turmoil that will hurt German exporters by bolstering the Deutsche mark.

Ousted Party In Japan Picks Comeback Chief

By James Sterngold
TOKYO — Battered though it may be by scandals and defections, the Liberal Democratic Party tried to begin its comeback Friday by selecting its youngest president in two decades and then attacking a coalition that seems bound to assume power next week.

Exchange-Rate Dilemma: Forge On or Bury It?

By Erik Ipsen
LONDON — After two days of heavy intervention to support the weaker currencies within the European grid, Europe's politicians and central bankers face a tense weekend of either sitting tight and agreeing to soldier on or coming up with a solution that would enable the system to survive in a changed form.

Kiosk

Christie Defeats Lewis in Showdown

The world record holder at 100 meters, Carl Lewis, not only was beaten Friday by the Olympic champion, Linford Christie of Britain, in their much publicized first race since the 1991 world championships but also finished third, behind another American, Jon Drummond.

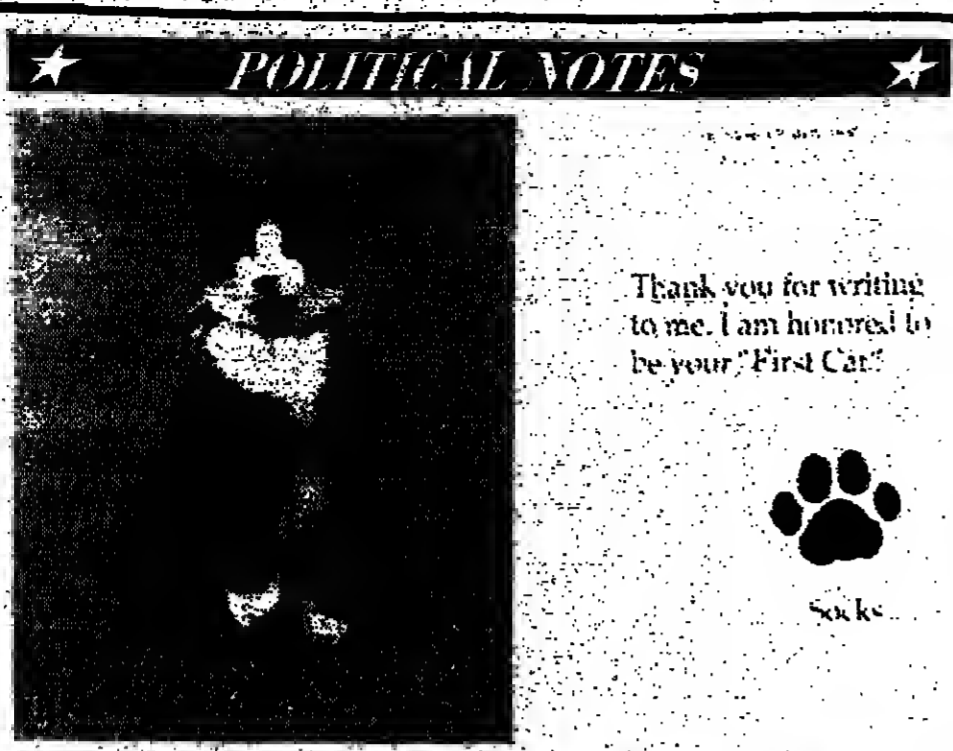
Table with market data: Dow Jones (Down 27.95), Trib Index (Up 0.32%), The Dollar (New York, Fed. rate, previous close).

Film Fame and the Madonna Syndrome

By Rick Marin
NEW YORK — This story is not about Arnold Schwarzenegger, Madonna, Roseanne or Tom Arnold, Sharon Doherty, Sharon Stone or anyone who could be described as a "supermodel."



STATESIDE / PENNIES AT THE PUMP



Socks, the Clinton cat, and his own paw-sonalized White House cards for replying to his fans.

Senators Panel Approves Elders

WASHINGTON — The Senate Labor Committee voted 13 to 4 Friday to approve Dr. Joyce Kilmer's Elders as surgeon-general. Three Republicans joined all 10 Democrats on the committee in sending the nomination to the Senate floor...

Timing the Health-Plan Proposal

WASHINGTON — Senator John D. Rockefeller 4th says that President Bill Clinton will probably announce his national health plan "toward the end of September" in a major speech, perhaps at a joint session of Congress.

Chisholm Named Jamaica Envoy

WASHINGTON — President Bill Clinton said he was nominating former Representative Shirley Chisholm of New York as ambassador to Jamaica, calling her "a true pioneer of American politics..."

Republicans End Filibuster

WASHINGTON — Senate Republicans ended a week-old filibuster Friday, clearing the way for final approval of President Bill Clinton's national service program.

Away From Politics

- The dilute mystery illness that has plagued the Four Corners area of the Southwest is spreading, with new cases reported in Nevada and Texas...
• A New Jersey state appeals court said a junior high school violated a student journalist's First Amendment rights when it refused to print his reviews of two R-rated movies...

Quote/Unquote

Vice President Al Gore on Bob Dole, the Senate minority leader: "Senator Dole alternates between trips to New Hampshire to run for the Republican nomination in 1996 and quick visits back to the Senate to throw more monkey wrenches into the works."

Floodwater Swallows The Bridges Of Missouri

JEFFERSON CITY, Missouri — The flood of 1993 has virtually split the state of Missouri in two. Surges on the swollen Missouri River, which cuts across the state's midsection, knocked out or closed all but one bridge for the more than 200 miles between Kansas City and St. Louis.

Conferees Agree on Gasoline-Tax Rise

By Eric Pianin and David S. Hiltznerath
WASHINGTON — Congressional budget negotiators have settled on a 4.3-cent-a-gallon increase in the gasoline tax, removing the last major obstacle to a House-Senate compromise on President Bill Clinton's deficit-reduction plan.

Price of a Compromise? \$14.19 a Year

By David E. Rosenbaum
WASHINGTON — With everything riding on politics and perception and substance amounting to little, seven Democratic senators spent all day and worked into the night to figure out how much they could raise the gasoline tax and still carry enough votes to pass President Bill Clinton's deficit-reduction bill.

Own Cause Has Lobbyists Tongue-Tied

By Joel Brinkley
WASHINGTON — When they come up with just the right campaign to defeat a piece of legislation, Washington's lobbyists can be very persuasive. They can overwhelm the White House switchboard with angry phone calls, forcing the government to take notice.

Civil Liberties Union Reportedly Got Funds From U.S. Tobacco Industry

WASHINGTON — The American Civil Liberties Union, which defends the rights of the tobacco industry to advertise its products, has accepted more than \$500,000 in contributions from cigarette companies over the past six years, according to a report sponsored by several public-interest groups and released Thursday.

A Legal Eagle Flies the Coop

By Paul Duggan
WASHINGTON — A District of Columbia Superior Court judge was forced to declare a mistrial in a child-beating case after a defense lawyer, saying he had purchased nonrefundable airline tickets, abandoned his client before closing arguments and flew to Jamaica for a week's vacation.

No Stone Left Unturned on Rostenkowski

WASHINGTON — Prosecutors in the House Post Office case have ranged far beyond Representative Dan Rostenkowski's stamp purchases to investigate his checking account, political operations and dealings with top aides.

RELIGIOUS SERVICES

- AMSTERDAM: CROSSROADS INTERNATIONAL CHURCH (Interdenominational & Evangelical) Sunday Service 10:30 a.m.
WATERLOO: ALL SAINTS CHURCH, 1st Sun. 9 & 11:15 a.m.
FRANKFURT: INTERNATIONAL CHRISTIAN FELLOWSHIP (Evangelical-Freikirchliche Gemeinde)
ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST: BERLIN, AMERICAN CHURCH IN BERLIN, CO. of City Ales & Pottery, near School, S.S. 9:30 a.m.

DEATH NOTICE
VICOMTE ROBERT DE RICHEMONT
oil executive and energy expert, passed away on July 28, 1993, in Paris. He was much loved by his friends and colleagues and was cherished by his wife, children and grandchildren.

NEW FALL WINTER COLLECTION ESCADA
Paris left bank
For orders
FAX: (1) 42 84 24 15
Sale on Summer Collection Marie-Martine
8, rue de Sévres, Paris 6th

TME Co.
Ambassador Lapel Flags
Your Logo on any 2-flag mix - 24K Gold finished - Full colors - 100% U.S.A.-made
We'll custom-make any emblem for you! Delivery: 14 business days Worldwide
TME Co., Inc. 101 Bel Air Drive New Milford, CT 06776, U.S.A. (800) 535-5855 • Fax (203) 354-2766

21
A Great American Dining Experience
The 21 Club
21 West 52nd Street, New York, NY 10019
Tel 212-582-7200 FAX 212-581-7138

Various small advertisements and notices at the bottom of the page, including 'Women of Dress', 'Missiles Out of the Sky', and 'Katie's Endangering'.

Changes Heating Up China's Economy, CIA Says

By Tim Weiner

WASHINGTON—The Central Intelligence Agency said Friday that China's economy was bubbling, with a gross domestic product of \$2.35 trillion, matching Japan's and growing at 13 percent a year.

Among the modern aspects of the Chinese economy is inflation, which reached 16 percent in China's cities this past winter. Another is a huge trade surplus with the United States, which Mr. Petersen said could reach \$24 billion or more this year.

The expansion of a Pacific Rim economy with China at its center "carries substantial implications for East Asia and the world," he said.

The 16 percent rate is "shocking to a leadership that has always feared inflation," Mr. Petersen said.

INTERNATIONAL CLASSIFIED

PERSONALS: MAY THE SACRED HEART OF JESUS be adorned, glorified, loved and preserved forever. Sacred Heart of Jesus, pray for us...

MOVING: INTERDEAN INTERNATIONAL INFORMATION SERVICES FOR A FREE ESTIMATE CALL AMSTERDAM 31 (07) 89 93 34

BUSINESS OPPORTUNITIES: TRAVEL DOCUMENTS, COUNTERPART DIRECTOR, BUSINESS SERVICES

REAL ESTATE FOR SALE: SWITZERLAND, LOVEY APARTMENTS, REAL ESTATE TO RENT/SHARE

AUTO SHIPPING: SAVE ON CAR SHIPPING, AUTOS TAX FREE, KZKOVIKS

ANNOUNCEMENTS: THE BHT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE

BUSINESS TRAVEL: DISCOUNTED - First business class airfare

HIGHEST INTEREST AND FAST ACCESS: U.S. TIME INVESTMENTS

LEGAL SERVICES: US IMMIGRATION THROUGH INVENTOR, AMERICAN PROTECTION

STUDENT EXCHANGE: GERMANY DOCTORS FAMILY with daughter (14) seeks exchange with...

LOW COST FLIGHTS: WORLDWIDE Special departure of the lowest cost direct economy class...

HOLIDAY RENTALS: FRENCH RIVIERA, MAURICE SUN VIEW ON PORT...

EMPLOYMENT: GENERAL POSITIONS WANTED, FRENCH PERSONAL ASSISTANT, AUTOMOBILES

MOVING: A.G.S. INT'L MOVING, A.G.S. LONDON, A.G.S. BRISTOL

AUTHORS WANTED: Leading quality book publisher seeks recognition of top authors...

BUSINESS OPPORTUNITIES: AMERICAN FOOTBALL TEAM, EUROPEAN BUSINESSMAN SEeks...

MOVING: OFFSHORE BANKING, BEAUTIFUL VILLAS IN CAPRI



AFTER THE FLOODS — A Nepalese searching for any remaining possessions after floodwaters rampaged through his home in Palung. At least 1,700 people may have died in the country.

Citing Foes, Japan Will Build Up Its Forces

Compiled by Our Staff From Dispatches TOKYO — Japan intends to strengthen its armed forces in light of what it considers an unstable regional balance and challenges by North Korea and Russia, the Defense Agency said Friday.

While the government adopted its defense program last December, it was judged that it is appropriate for Japan to continue to improve its defense capability, the agency's defense counselor, Masataka Suzuki, said in a news briefing as he presented the paper.

Six batteries of Patriots, a missile that proved its worth against Iraqi Scud missiles during the Gulf War, are to be installed under the 1991-1995 military program, the defense agency said.

Mr. Suzuki confirmed that Japan was "currently introducing U.S.-made Patriot missiles" under a program aimed at increasing its missile capacity.

The agency said Japan was "seriously concerned" by the missile, which can carry a nuclear payload. "A combination of nuclear arms development and the Rodong-1 development would pose extreme danger," the paper said.

U.K. Seeks to Rein In Press Snoops

LONDON — The government made its first move toward restricting a prying press Friday with a proposed new privacy law, provoking the fury of populist tabloids, which complained of what they saw as a threat to democracy.

Reacting to widespread concern about alleged media excesses, the government said it wanted to make "infringement of privacy" an offense, outlawing intrusion into an individual's family circumstances, health or love life.

British newspapers, especially the tabloids, have been criticized for their graphic exposure of royal and ministerial indiscretions.

But the targets of the crackdown erupted in anger at what they portrayed as an attempt to undermine press freedom.

Lord MacKay said that in most cases maximum fines would be under £10,000 (\$15,000). He estimated the total cases that might come to court to be in the hundreds.

MovePlus THE INTERNATIONAL MOVERS: Head Office: World Trade Center, Rotterdam, Tel: 31 (0) 43 20 70

FRIENDSHIPS: Edith Brigitta FAHRENKROG: SAY YES TO A PARTNERSHIP THROUGH THE INTERNATIONAL PARTNERSHIP AGENCY

GLAUDIA PÜSCHEL-KRIES GmbH EUROPEAN INTERNATIONAL FRANCHISE PARTNERSHIP AGENCY

EUROPE: NETHERLANDS, NORWAY & SWEDEN, PORTUGAL & AUSTRIA, SPAIN, SWITZERLAND

EUROPE: AUSTRIA, BELGIUM & LUXEMBOURG, GREECE & CYPRUS, DENMARK & SWEDEN

REAL ESTATE INVESTMENTS: INVESTMENT - Home in upscale Fort Lauderdale, FL. Call: 407-993-3000

REAL ESTATE: THE LAST OF THE MOST BEAUTIFUL VILLAS IN CAPRI

MONROE NANNIES INTERNATIONAL: For those who want to work for the most successful...

POSITIONS WANTED: FINANCIAL ADVISOR, FINANCIAL PLANNER, FINANCIAL MANAGER

EUROPE: SWITZERLAND, GERMANY, AUSTRIA, ITALY

EUROPE: AUSTRIA, BELGIUM & LUXEMBOURG, GERMANY, GREECE & CYPRUS, DENMARK & SWEDEN

EUROPE: SWITZERLAND, GERMANY, AUSTRIA, ITALY

EUROPE: AUSTRIA, BELGIUM & LUXEMBOURG, GERMANY, GREECE & CYPRUS, DENMARK & SWEDEN

EUROPE: SWITZERLAND, GERMANY, AUSTRIA, ITALY

EUROPE: AUSTRIA, BELGIUM & LUXEMBOURG, GERMANY, GREECE & CYPRUS, DENMARK & SWEDEN

EUROPE: SWITZERLAND, GERMANY, AUSTRIA, ITALY

EUROPE: AUSTRIA, BELGIUM & LUXEMBOURG, GERMANY, GREECE & CYPRUS, DENMARK & SWEDEN

EUROPE: SWITZERLAND, GERMANY, AUSTRIA, ITALY

EUROPE: AUSTRIA, BELGIUM & LUXEMBOURG, GERMANY, GREECE & CYPRUS, DENMARK & SWEDEN

EUROPE: SWITZERLAND, GERMANY, AUSTRIA, ITALY

EUROPE: SWITZERLAND, GERMANY, AUSTRIA, ITALY

EUROPE: AUSTRIA, BELGIUM & LUXEMBOURG, GERMANY, GREECE & CYPRUS, DENMARK & SWEDEN

EUROPE: SWITZERLAND, GERMANY, AUSTRIA, ITALY

EUROPE: AUSTRIA, BELGIUM & LUXEMBOURG, GERMANY, GREECE & CYPRUS, DENMARK & SWEDEN

EUROPE: SWITZERLAND, GERMANY, AUSTRIA, ITALY

EUROPE: AUSTRIA, BELGIUM & LUXEMBOURG, GERMANY, GREECE & CYPRUS, DENMARK & SWEDEN

1550



**"A GENUINE TRIUMPH"**  
LONDON DAILY MAIL

**"THE LUSH ROMANTIC LONGING OF THE MUSIC, THE SUPERB, MELODRAMATIC PLOT AND ANDREW LLOYD WEBBER'S MOST PERSUASIVE SCORE"**

THE NEW YORKER

**"AN AWESOME DISPLAY OF SPECTACULAR STAGECRAFT, AND SONGS THAT INSISTENTLY BOUNCE ABOUT IN THE BRAIN LONG AFTER THE CURTAIN HAS FALLEN"**

CHICAGO TRIBUNE

**"IT BRINGS NEW DIMENSIONS TO THE FAMOUS STORY. WILL IT BE A HIT? OF COURSE IT WILL!"**

HOLLYWOOD REPORTER

**"A LEAN, MEAN, MUSIC MACHINE. IT OUT-OKLAHOMAS OKLAHOMA! EVERY DETAIL IS NEAR PERFECT, THE LYRICS ARE SOPHISTICATED AND WITTY, THE SETS ARE AWESOME AND WORK BRILLIANTLY"**

WALL STREET JOURNAL

**"A MIRACLE OF STAGECRAFT. LONDON'S MOST ANTICIPATED THEATRICAL EVENT THIS YEAR AND THE MOST EAGERLY ANTICIPATED BROADWAY MUSICAL OF THE SEASON TO COME"**

TIME MAGAZINE

**"SET TO BECOME ONE OF THE BIGGEST THEATRE SUCCESSES OF ALL TIME"**

LONDON DAILY MIRROR

**BEAT THE LONDON TOUTS!**  
24 HR CREDIT CARD BOOKINGS. CALL  071-344 0055 (WITH BOOKING FEE)

**ADELPHI THEATRE**  
STRAND, LONDON WC2

In Press Su

Stress and

What is

OPINION

INTERNATIONAL Herald Tribune

The Menace in Nicaragua

President Violeta Barrios de Chamorro's effort to reunify Nicaragua is in deep trouble. Her main problem is an abusive military establishment; she must move decisively to bring it under control.

Ortega and his fellow officers have shown again and again that they are not interested in democracy. There have been alarming reports of human rights abuses by the military.

Tackling Asylum Abuse

The Clinton administration demonstrated this past week that it is serious about curbing immigration abuses. In its new proposals, more money is requested for border enforcement and better computers and communications systems in embassies abroad.

The administration's proposal concentrates on people who arrive in the United States without documents or with clearly fraudulent papers. This group — about 15,000 out of an estimated 135,000 who will seek asylum this year — will be detained and their cases will be adjudicated quickly.

Protecting U.S. Tobacco

In a classically perverse attempt at protectionism, Congress is about to do serious damage to tobacco growers and workers through a clumsy effort to help them. Many mischievous and harmful little provisions are being stitched into the huge budget reconciliation bill.

remember that trade runs in both directions — outward as well as inward. The cigarette companies export heavily — at present — from their U.S. plants. The companies believe, for good reason, that all of their future growth will be abroad.

Other Comment

A Marketplace Out of Control

Once again, the European Monetary System is in crisis. And, once again, blame is being directed at Frankfurt and London. But they are only scapegoats; wildly out-of-control capital markets must share the blame.

Saxon speculators. The German central bank has been doing its part since September by pursuing a policy of steady state cuts. As for the speculators, nobody can prevent them from hoping for the breakdown of the system of fixed exchange rates and betting on monetary authorities' moves.

Demilitarize Bosnia or the Storm Will Spread South

By Misha Glenny

This is the second of two articles.

SALONIKA, Greece — In the spring of 1991, as Yugoslavia faced war and collapse, the presidents of Bosnia-Herzegovina and Macedonia, Alija Izetbegovic and Kiro Gligorov, together mounted a desperate, final attempt to prevent the violent disintegration of the country.

Their views ignore a central truth of the Balkans: Once the area begins to destabilize, a significant element in each national group in the region radicalizes in the hope of transforming a historical myth of nationhood into the reality of a nation-state.

THIS explains why Albanian radicals in the province of Kosovo, which is constitutionally a part of Serbia, and in western Macedonia have selectively supported Serb secessionists in Croatia and the carving up of Bosnia-Herzegovina. If this is permitted, they argue, there is no logical reason why Kosovo, 90 percent of whose

If the West allows the civilian population of Bosnia to die en masse, the Muslim population of the Balkans will avenge itself by provoking a war in Kosovo and Macedonia.

population is Albanian, and western Macedonia should not be allowed to attach themselves to Albania to create a Greater Albania.



Peace Won't Be Built on Dead Ground

By William Pfaff

PARIS — The power of the weak lies in their capacity to endure the punishment of the strong, to the strong's frustration. On Israel's Lebanon front, something approaching a half-million of the weak now are being driven northward from their homes.

operation is to cause Lebanon to halt Hezbollah attacks on Israel — and everyone understands that Damascus determines what Beirut does.

Fragile Cambodia Tries To Remake Civil Society

By Anthony Lewis

PHNOM-PENH — The United Nations is so beset by problems these days that one remarkable success should be noted. That has been its effort to turn devastated Cambodia from endless war to national politics.

self a phenomenon. It is composed of equal members of two parties that fought each other in the election, and withdrew before the royalists, who won a few more seats, and the party of the former Communist government supported by Vietnam.

An Endurance Test for Christopher

THE CLINTON administration prepares to raise its mediating profile by sending Secretary of State Warren Christopher to the Middle East. The history of successful U.S. involvement at the secretarial level in trying to bring Arabs and Israelis together is a history of extended commitment.

non were crushed at near-mortal cost to Lebanon, reduced to the Palestine Liberation Organization. But PLO raids on Israel resumed long ago, the intifada has broken out in Gaza and the occupied territories, and there have been continuing attacks and rocketing from the Islamic fundamentalist Party of God, Hezbollah, installed in southern Lebanon.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO.

1893: The China Treaty

SHANGHAI — Dr. D.J. Macgowan, the oldest foreigner in China, talked with the Viceroy Li-Hung-Chang upon the Chinese admission of legislation in the United States.

1943: Rebellion in Italy

BERN, Switzerland — [From our New York edition:] Military police were rushed to Milan today [July 30] when Italian soldiers refused to fire on a mob which stormed the Cellari prison and set free hundreds of political prisoners.

1918: Blow to Germany

BALE — Field-Marshal von Eichhorn, commanding the German army of occupation in the Ukraine, has been assassinated by means of a bomb. Re-

International Herald Tribune
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
RICHARD McLEAN, Publisher & Chief Executive
JOHN VINOCUR, Executive Vice President
WALTER WELLS, Vice President
SAMUEL A. BART, KATHERINE KNORR and CHARLES MITCHELMOORE, Deputy Editors
CARL GEWIRTZ, Associate Editor
ROBERT J. DONAHUE, Editor of the Editorial Pages
JOHNATHAN GAGE, Business and Finance Editor
RENE BONDY, Deputy Publisher
RICHARD H. MORGAN, Associate Publisher
JUANITA I. CASPARI, International Advertising Director
ROBERT FARRÉ, Circulation Director, Europe
Director in Charge of Publications: Richard D. Simmons
International Herald Tribune: 101 Avenue Charles-de-Gaulle 92521 Neuilly-sur-Seine, France
Tel.: 1 (1) 46 77 01 01, Fax: 1 (1) 46 77 01 01, Telex: 31031, Advertising: 46 77 52 12

# Spain's Latin American Comeback

By James Brooke  
New York Times Service

JESUS, Paraguay — Against a landscape of rolling fields and grazing cows, church columns of pink stone rise unfinished. Work stopped in 1768 when a decree arrived from King Carlos III of Spain, ordering the expulsion of all Jesuit missionaries from this distant corner of empire.

Now, a new fence protects the ruins from art thieves. Sturdy beams shore up sagging walls. Near a new guard cottage, a billboard heralds the mission's new benefactor: Spain. After two centuries, Spain is returning to Latin America as a regional force for historic preservation.

teach local apprentices skills needed for restoring colonial-era buildings.

This is a very powerful force for raising people's awareness about the value of historical houses," said Carlos Colombino, director of the Asocion de la Manzana de la Rivera Cultural Center. Facing the presidential palace in Paraguay's capital, this block of 19th-century and colonial-era houses was to be razed for a park. With Spain paying about 60 percent of the \$1 million budget, the city was able to buy the houses, refurbish them, and turn the complex into a cultural center, complete with library, museum and theater.

16th century, decades before English settlements began in North America. About half of the projects involve restoring Roman Catholic buildings: cathedrals, churches, monasteries, convents and episcopal palaces.

Here in Jesus, the thick walls and massive columns of the unfinished church were to "compete with the finest churches of America," said one mid-18th-century chronicler. While Italians designed most Jesuit missions in South America, three Spanish architects designed the one in Jesus. They drew heavily on Spain's Mudéjar style, a fusion of Moorish and Christian motifs.

# Auctions: The Bottom Line

LONDON — There is a curious, surreal touch to the end-of-season press releases issued this week by the two leading international auction houses. It all sounds so rosy. Christie's is happy. Its worldwide auction sales totaling \$1.058 billion are up 1 percent on the August 1991-July 1992 season. Sotheby's is happy, too. With \$1.190 billion, its worldwide sales are up 4 percent.

## SOREN MELIKIAN

Failure rates hovering around one-third of the lots offered, or more, in so many of the major auctions? Not a word. Pictures or objects d'art sold very below estimates on more than one occasion? No word about them either. And, in a way, those who penned these exercises in promotional prose are right.

It is indeed true that the art market performs miraculously well on the auction scene, given the economic environment. But that performance is not nearly the smooth one that such releases might induce an outsider to take for granted.



Attic cup with Hermes painted inside fetched £128,000.

factor is that, as entire categories rise, so do mediocrities. They eventually reach a price level where no one wants them. Unappealing to connoisseurs, they are too dear to be bought on a passing whim. That is basically the reason why 100 of the 211 lots in the Sotheby's sale that included Antico's bronze and Clodion's terra-cotta were left unsold. It takes a trained eye to look at a brass salver, Venetian, 16th century — precisely the kind of eye that will be irked by the "traces of later silvering" that damage its appearance. At £2,000 to £3,000 plus 15 percent, it never stood a chance.

The problem is the same with Antiquities. When Christie's offered 30 Greek vases from a private collection on April 28, every one of them sold at prices that were generally huge. Collectors responded to a fellow collector's well-defined taste for monumental figures, from the Attic footed cup of the late 5th century B.C. with a running Hermes painted inside, which sped to a phenomenal £128,000, to the two-handled water jar ("hydria") of the mid-5th century B.C., which tripled its high estimate at £172,500.

On July 7, collectors again responded with comparable enthusiasm when a large group of mostly fragmentary tiny glass plaques from Egypt was dispersed at Christie's. But in the general sales of Antiquities held that same week at Christie's and Sotheby's, the usual problem had the usual effect — large numbers of overpriced non-two-wonderful objects were left by the roadside.

Some areas, such as Impressionist and Modern Masters, the problem is taking on the proportions of a crisis.

# Creating Buildings Like Movies

By Carol Lutfy

TOKYO — The Japanese architect Fumihiko Maki likes to make parallels between buildings and movies. He calls them "shared images" and "social commodities" — composites of "unforgettable scenes."

"But like a movie," he goes on, "a building can't depend on just one or two great scenes. Kurosawa and Fellini taught themselves to perfect each scene from beginning to end. And I have made that a standard for my architecture."



The main arena of Fumihiko Maki's Tokyo Gymnasium complex.

Japan, because of the enviable working conditions there.

"I am the product of a very lucky period," he says. "Something that probably can happen only once every 300 years. The economy in postwar Japan kept architects very busy, and especially in the frenetic '70s and '80s, many of our clients gave us unprecedented freedom."

quality, his structures manage to blend with the city by expressing the spirit of their times.

"A building should inherently reflect the moment and place it is born in," Maki says. "But it should also be able to endure the judgment of time."

image of a vast, circular structure and smaller oval-shaped interior that brought about the most critical advance in Maki's design over the last 15 years. Its arenas represent his first buildings to embrace organic forms — forms that he accentuated with highly curved, seemingly floating, stainless-steel-clad roofs that added an unprecedented sense of drama and lightness to his work.

## BOOKS

**PULIGNY-MONTRACHET:**  
Journal of a Village in Burgundy  
By Simon Loftus. 308 pages. \$24. Knopf.

Reviewed by James Conaway

FEW subjects have produced more effervescence and alertness in writing than wine; the honesty and quality of a wine writer's prose tends to be inversely related to the size of his or her waistline. (Those free lunches and professional tastings do take their toll.) No nation is more smitten by the craft than the British, who created the international claret trade and so dearly love the Bordelais and Burgundian cellar drama that they have become fixtures in France's vitinous propaganda machine.

residents don't want to meet each other, says the local historian, because that takes time and therefore "costs too much money."

The vignettes drive his Mercedes "twinkle hard" and are skeptical of government. His preoccupations are those of the present — i.e., maintaining price increases and eating. The wine is so precious that in one cellar it ferments to Muzak.

The best section, on the harvest, shows the Burgundians and their polyglot collection of international pickers — wine grapes — letting their hair down. There's fondling in the vineyards and at the harvest table, and fire hoses turned playfully on the bestrawed.

The author finds himself eyed by a pretty young woman. "I felt the quick tug of vintage madness," he writes, "the urge to hurl myself headlong into her alluring glance. I wish he had, and had buried himself as well into the lives and politics of those who hired her."

considerably more pigs than prices. One estate owner in Montrachet, transporting two barrels of his neighbor's chardonnay, tries to switch them en route for wine of lesser quality, during the annual six-course culinary blowout for the populace, to celebrate the successful harvest — officially there is no other kind — the local producers forb their drink off on the guests. It's all de rigueur in the fabulous Côte d'Or.

### ANTIQUES

FAYENCE VAR

### COLLECTOR'S GUIDE

### MIRSAD Brut Art

Venice, California  
(215) 369-5300

### ANTIQUES

### la foire

July 24 to August 9

### COLLECTOR'S GUIDE

### MIRSAD Brut Art

Venice, California  
(215) 369-5300

## Dining Out

<b>PARIS 6th</b> <b>LA COLOMBE</b> 13th century house, classical style, its beauty and its charm. EGVIA would happily welcome you 4, rue de la Colombe. Tel: 46.33.27.08. Closed Sunday.	<b>PARIS 15th</b> <b>LE WESTERN</b> The reference for lovers of the American West, this quality, imported US food and service. Family atmosphere, friendly, warm. Tel: 46.33.27.08. Closed Sunday.
<b>PARIS 6th</b> <b>COTE SEINE</b> For over 10 years, a quality menu, wine & coffee for 17€. Every evening and lunch on Sunday. Tel: 47.54.29.73.	<b>PARIS 17th</b> <b>AL GOLDENBERG</b> Multi cuisine - Restaurant - Cream cheese bagel and hot homemade - Cheese cake & all the traditional Jewish specialties. 69 Av. de Wagram. Tel: 42.27.34.79. Every day to midnight.
<b>PARIS 7th</b> <b>LE BILBOQUET</b> A tiny temple since 1947 which has the greatest reputation in the world for its food and service. Tel: 47.54.29.73.	<b>PARIS 7th</b> <b>CHEZ FRED</b> Japanese, Italian, medieval french cooking. daily dining. 190 St. Denis. Tel: 43.74.20.48.
<b>PARIS 7th</b> <b>YUGARAJ</b> Hotel on the last before sunset in France by the leading guides (Le Monde, L'Espresso, Le Point, Le Figaro, etc.). Tel: 42.92.13.35. Open in August.	<b>ROME</b> <b>DA MEO PATACCA</b> Irresistible, best Italian for its food, music & atmosphere. Tel: 06-5816198, 5892103, Fax: 5825352.
<b>PARIS 7th</b> <b>LA PETITE CHAISE</b> Delicious cuisine at the oldest restaurant in Paris. Menu 170 FF daily, 30, rue de Grande St. Tel: 42.92.13.35. Open in August.	<b>VIENNA</b> <b>KERVANSARAY</b> Turkish & Irish specialties, lobster bar, best seafood restaurant. Tel: 43.74.20.48. Open Monday.

### ART EXHIBITIONS

### PARIS

Manufacture in Aubusson, France

### Galerie robert four

### CARPETS & TAPESTRIES

Purchase & Sale - Restoration - Expertise  
Estimations, Transport & Insurance free.

Antique & Contemporary creations from Nini Anker - Falon  
Gauguin - Klee - Kozo - Laporte - Lurcat - Magritte - Molta - Modigliani  
Monet - Matisse - Picasso - Roussseau - Ser - Tofflet - Vasarely.

28, rue Bonaparte, 75006 Paris.  
Tel: 33 (1) 43.29.30.40 - Fax: 33 (1) 43.25.33.95

### NEW YORK

### CARIB ART GALLERY

584 Broadway, New York, NY 10012  
(across the street from The Guggenheim Museum Soho)

offers guest artists from around the world the opportunity to present individual or group exhibitions. Please contact:

Yvonna Ortiz, Director  
Phone: (212) 343-2539 - Fax: (212) 343-2659

### ART EXHIBITIONS

### MONTE-CARLO

Under the High Patronage of H.S.M. the Sovereign Prince of Monaco

### INTERNATIONAL BIENNIAL OF ANTIQUE DEALERS JEWELLERS & ART GALLERIES

### MONTE-CARLO

International Sporting Club - Place du Casino  
From July 31st until August 15th 1993

### SWITZERLAND

MONNET AND HIS FRIENDS

28 mai - 26 septembre

Daily from 10 am to 6 pm. Thursday until 10 pm.

### SPINK deal in

English Paintings and Watercolours  
Oriental, Asian and Islamic Art  
Jewellery - Textiles - Medals  
Coins - Bullion - Banknotes

### SPINK

SPINK & SON LTD. 5 & 6 KING ST.  
ST. JAMES'S, LONDON.  
ENGLAND SW1W 4QR. TEL: 071-430 7888  
FAX: 071-430 4853. TELETYPE: 161711

### THINKING ABOUT ART?

For a free copy of the International Arts Guide

Contact: Brooke Pilley  
International Herald Tribune  
181 Av. Charles-de-Gaulle  
92521 Neuilly Cedex, France.

# NYSE

Friday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

17 Month High Low Stock Div Yld PE Ratio

17 Month High	Low	Stock	Div	Yld	PE Ratio
100.00	98.00	IBM	1.50	1.50	15.00
120.00	118.00	Microsoft	0.00	0.00	12.00
150.00	148.00	Oracle	0.00	0.00	15.00
180.00	178.00	Sun	0.00	0.00	18.00
200.00	198.00	HP	0.00	0.00	20.00
250.00	248.00	Intel	0.00	0.00	25.00
300.00	298.00	Motorola	0.00	0.00	30.00
350.00	348.00	Rockwell	0.00	0.00	35.00
400.00	398.00	Boeing	0.00	0.00	40.00
450.00	448.00	Lockheed	0.00	0.00	45.00
500.00	498.00	General Electric	0.00	0.00	50.00
550.00	548.00	Westinghouse	0.00	0.00	55.00
600.00	598.00	Johnson & Johnson	0.00	0.00	60.00
650.00	648.00	Pfizer	0.00	0.00	65.00
700.00	698.00	Merck	0.00	0.00	70.00
750.00	748.00	Amgen	0.00	0.00	75.00
800.00	798.00	Genentech	0.00	0.00	80.00
850.00	848.00	Novartis	0.00	0.00	85.00
900.00	898.00	Schering-Plough	0.00	0.00	90.00
950.00	948.00	Abbott	0.00	0.00	95.00
1000.00	998.00	Amgen	0.00	0.00	100.00

Symbol	Price	Change	Volume
IBM	100.00	+0.50	1000000
Microsoft	120.00	+1.00	500000
Oracle	150.00	+0.50	200000
Sun	180.00	+0.50	150000
HP	200.00	+0.50	100000
Intel	250.00	+0.50	80000
Motorola	300.00	+0.50	60000
Rockwell	350.00	+0.50	40000
Boeing	400.00	+0.50	30000
Lockheed	450.00	+0.50	25000
General Electric	500.00	+0.50	20000
Westinghouse	550.00	+0.50	15000
Johnson & Johnson	600.00	+0.50	10000
Pfizer	650.00	+0.50	8000
Merck	700.00	+0.50	6000
Amgen	750.00	+0.50	4000
Genentech	800.00	+0.50	3000
Novartis	850.00	+0.50	2000
Schering-Plough	900.00	+0.50	1500
Abbott	950.00	+0.50	1000
Amgen	1000.00	+0.50	800

Symbol	Price	Change	Volume
IBM	100.00	+0.50	1000000
Microsoft	120.00	+1.00	500000
Oracle	150.00	+0.50	200000
Sun	180.00	+0.50	150000
HP	200.00	+0.50	100000
Intel	250.00	+0.50	80000
Motorola	300.00	+0.50	60000
Rockwell	350.00	+0.50	40000
Boeing	400.00	+0.50	30000
Lockheed	450.00	+0.50	25000
General Electric	500.00	+0.50	20000
Westinghouse	550.00	+0.50	15000
Johnson & Johnson	600.00	+0.50	10000
Pfizer	650.00	+0.50	8000
Merck	700.00	+0.50	6000
Amgen	750.00	+0.50	4000
Genentech	800.00	+0.50	3000
Novartis	850.00	+0.50	2000
Schering-Plough	900.00	+0.50	1500
Abbott	950.00	+0.50	1000
Amgen	1000.00	+0.50	800

Symbol	Price	Change	Volume
IBM	100.00	+0.50	1000000
Microsoft	120.00	+1.00	500000
Oracle	150.00	+0.50	200000
Sun	180.00	+0.50	150000
HP	200.00	+0.50	100000
Intel	250.00	+0.50	80000
Motorola	300.00	+0.50	60000
Rockwell	350.00	+0.50	40000
Boeing	400.00	+0.50	30000
Lockheed	450.00	+0.50	25000
General Electric	500.00	+0.50	20000
Westinghouse	550.00	+0.50	15000
Johnson & Johnson	600.00	+0.50	10000
Pfizer	650.00	+0.50	8000
Merck	700.00	+0.50	6000
Amgen	750.00	+0.50	4000
Genentech	800.00	+0.50	3000
Novartis	850.00	+0.50	2000
Schering-Plough	900.00	+0.50	1500
Abbott	950.00	+0.50	1000
Amgen	1000.00	+0.50	800

Symbol	Price	Change	Volume
IBM	100.00	+0.50	1000000
Microsoft	120.00	+1.00	500000
Oracle	150.00	+0.50	200000
Sun	180.00	+0.50	150000
HP	200.00	+0.50	100000
Intel	250.00	+0.50	80000
Motorola	300.00	+0.50	60000
Rockwell	350.00	+0.50	40000
Boeing	400.00	+0.50	30000
Lockheed	450.00	+0.50	25000
General Electric	500.00	+0.50	20000
Westinghouse	550.00	+0.50	15000
Johnson & Johnson	600.00	+0.50	10000
Pfizer	650.00	+0.50	8000
Merck	700.00	+0.50	6000
Amgen	750.00	+0.50	4000
Genentech	800.00	+0.50	3000
Novartis	850.00	+0.50	2000
Schering-Plough	900.00	+0.50	1500
Abbott	950.00	+0.50	1000
Amgen	1000.00	+0.50	800

Symbol	Price	Change	Volume
IBM	100.00	+0.50	1000000
Microsoft	120.00	+1.00	500000
Oracle	150.00	+0.50	200000
Sun	180.00	+0.50	150000
HP	200.00	+0.50	100000
Intel	250.00	+0.50	80000
Motorola	300.00	+0.50	60000
Rockwell	350.00	+0.50	40000
Boeing	400.00	+0.50	30000
Lockheed	450.00	+0.50	25000
General Electric	500.00	+0.50	20000
Westinghouse	550.00	+0.50	15000
Johnson & Johnson	600.00	+0.50	10000
Pfizer	650.00	+0.50	8000
Merck	700.00	+0.50	6000
Amgen	750.00	+0.50	4000
Genentech	800.00	+0.50	3000
Novartis	850.00	+0.50	2000
Schering-Plough	900.00	+0.50	1500
Abbott	950.00	+0.50	1000
Amgen	1000.00	+0.50	800

INDEX

SCENE

ons Flouris

a Small Firm

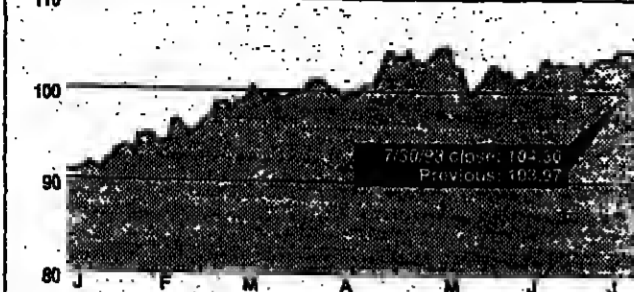
CURRENT

سنة من الازمان



THE TRIB INDEX: 104.30

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, and Switzerland.

Table with 3 columns: Asia/Pacific, Europe, N. America. Includes sub-tables for Industrial Sectors and a list of major stock indices.

Table with 3 columns: Energy, Utilities, France, Services. Includes sub-tables for Capital Goods, Raw Materials, Consumer Goods, and Miscellaneous.

ECONOMIC SCENE

Misconceptions Flourish In Debate on Small Firms

WASHINGTON — In the heat of this summer's budget battle, President Bill Clinton and his Republican opponents are both vying for the title of champion of small business. The contest has churned up a number of cherished misconceptions about the small-business sector of the economy.

See SMALL, Page 12

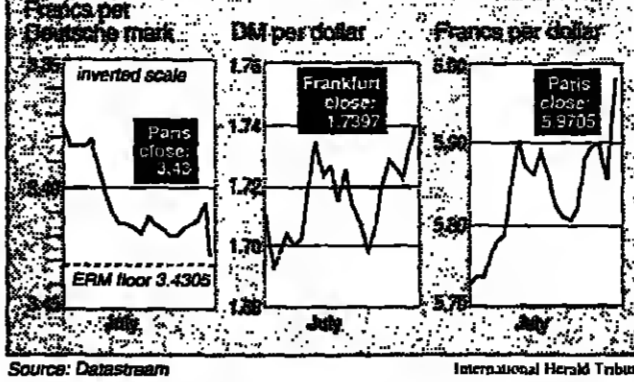
European Stocks Hail Currency Grid's Upheaval

Hope of Interest-Rate Cut Lifts All but German Shares

FRANKFURT — Stock prices climbed on most European markets Friday amid speculation that a collapse of Europe's exchange-rate mechanism would allow central banks to slash interest rates across the recession-stricken continent.

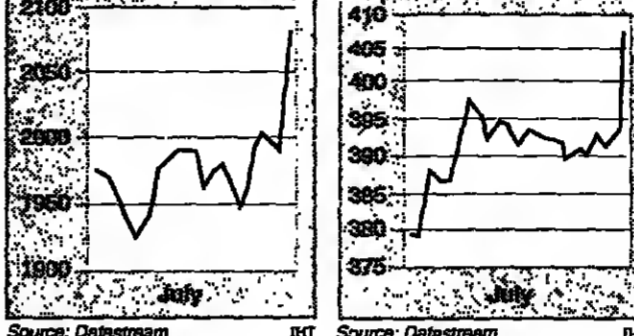
See EUROPE, Page 10

Weaker Franc, Stronger Dollar



Source: Datastream

Boost to the Bourse



Source: Datastream

Dollar Gains Against Mark, Gold Price Surges \$9.20

NEW YORK — The dollar continued its rise Friday against the Deutsche mark and the French franc in moderately active but nervous trading overshadowed by the turmoil in the European Monetary System.

The French franc remained near its European floor level of 3.4905 to the mark. Most traders are counting on the franc pulling out of the EMS in the next few days and are hedging their bets with the mark.

See DOLLAR, Page 10

Corporate Europe Roots for Lower Rates

LONDON — European executives said Friday that their companies were likely to benefit from the collapse of the EC currency grid, which would clear the way for interest-rate cuts that would help end the continent's recession.

One company that said it would benefit from an ERM collapse is Swissair. It is talking with KLM Royal Dutch Airlines, Scandinavian Airlines System and Austrian Airlines about an alliance, and said there could be immediate advantages from the currency turmoil.

French Unemployment Up

PARIS — French unemployment rose by 44,600 in June to a record 3,185,800 — 11.6 percent of the work force — the Labor Ministry said Friday.

Brazil Wonders: Is New Real for Real?

RIO DE JANEIRO — With the zeros from hyperinflation clogging calculators and spilling off the edge of checks, Brazilians will top three of them off their money on Sunday and adopt their fourth currency in seven years — to be called the cruzado real.

Advertisement for Sprint Express international calling service, featuring a woman on a phone and the text 'How to make an international call without Sprint Express.'

CURRENCY & INTEREST RATES

Large table containing various financial data including Cross Rates, Eurocurrency Deposits, Key Money Rates, and Forward Rates.

Advertisement for Sprint Express international calling service, featuring a woman on a phone and the text 'How to make an international call with Sprint Express.'

MARKET DIARY

STOCKS: Gaining in Europe

(Continued from page 9) Losses in Dow components Minnesota Mining & Manufacturing...

Blue Chips Battered

Computer-driven selling programs and weak earnings news combined to send the Dow Jones industrial average...

N.Y. Stocks

growth would slow in the current financial year, says the current financial year...

DOLLAR: Currency Makes Gain

Continued from Page 9 European currency chaos, the dollar slipped toward post-World War II lows...

Foreign Exchange

outside the European mechanism, the dollar dipped to \$1.5235 Swiss francs...

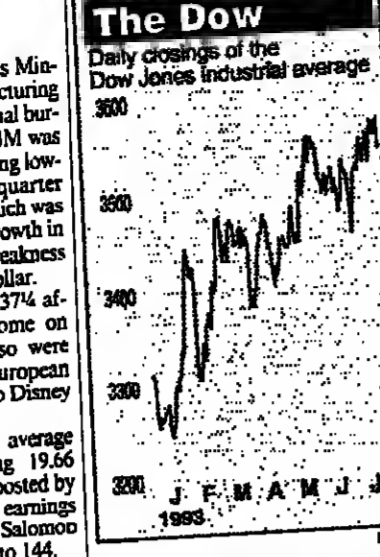
Belgium Adds to Deficit Cuts

BRUSSELS — Belgium's government arranged measures on Friday to cut its budget deficit by 26 billion francs (\$72.6 billion) next year...

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Zurich, and Montreal.

The Dow



NYSE Most Actives

Table listing the most active stocks on the NYSE, including volume, high, low, and change.

NYSE Diary

Table showing NYSE trading activity, including advanced, declined, and unchanged shares.

Annex Diary

Table showing annex trading activity, including advanced, declined, and unchanged shares.

NASDAQ Diary

Table showing NASDAQ trading activity, including advanced, declined, and unchanged shares.

Dow Jones Averages

Table showing Dow Jones Averages for Industrial, Transportation, Finance, and Utility sectors.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes for Industrial, Transportation, Finance, and Utility sectors.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrial, Transportation, Finance, and Utility sectors.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrial, Transportation, Finance, and Utility sectors.

AMEX Stock Index

Table showing AMEX Stock Index for High, Low, Close, and Change.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 30 Bonds, 10 Industrials, and 10 Utilities.

Market Sales

Table showing Market Sales for NYSE 4 p.m. volume, NYSE 4 p.m. close, and NYSE 4 p.m. volume.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for July 29, 30, and 31.

S&P 100 Index Options

Table showing S&P 100 Index Options for July 29, 30, and 31.

EUROPEAN FUTURES

Table of European Futures including Food, Metals, and Financial.

Metals

Table of Metals futures including Aluminum, Copper, and Zinc.

Financial

Table of Financial futures including 3-Month Sterling and 6-Month Eurodollars.

U.S. FUTURES

Table of U.S. Futures including Grains, Soybeans, and Corn.

Metals

Table of Metals futures including Silver, Gold, and Platinum.

Livestock

Table of Livestock futures including Cattle and Hogs.

Food

Table of Food futures including Coffee and Sugar.

U.S. / AT THE CLOSE

U.S. Home Sales Up, but Income Flat

WASHINGTON (AP) — Sales of new U.S. homes rose a stronger-than-expected 11 percent in June to the second-highest level in nearly four years...

3M Earnings Gain Braked by Dollar

ST. PAUL, Minnesota (Bloomberg) — Minnesota Mining & Manufacturing Co. said Friday that second-quarter earnings had risen 4.2 percent...

Apple Drops First Newton on Market

CUPERTINO, California (Bloomberg) — Nearly 15 months after it unveiled the Newton Personal Digital Assistant, Apple Computer Inc. said the actual product would go on sale Monday.

K-III Quarter Loss Put at \$17 Million

NEW YORK (Bloomberg) — K-III Communications Inc. controlled by the New York buyout firm Kohlberg Kravis Roberts & Co. said Friday that its second-quarter loss had narrowed to \$17.5 million...

Allegheny to Acquire Underwriters

NEW YORK (AP) — Allegheny Corp. said Friday it had agreed to acquire Underwriters Insurance Co. for \$203 million from a holding company...

Aetna Credits Cost-Cutting for Profit

HARTFORD, Connecticut (Bloomberg) — Aetna Life & Casualty Co. said Friday its cost-cutting efforts helped the diversified insurer post a profit from operations in the second quarter.

Microsoft Data Reportedly Sought

CHICAGO (Reuters) — The Justice Department has received clearance to review the Federal Trade Commission's deadlocked investigation into alleged anticompetitive practices by Microsoft Corp. in Chicago.

U.S. FUTURES

Table of U.S. Futures including Grains, Soybeans, and Corn.

Metals

Table of Metals futures including Silver, Gold, and Platinum.

Livestock

Table of Livestock futures including Cattle and Hogs.

Food

Table of Food futures including Coffee and Sugar.

U.S. TREASURY BONDS

Table of U.S. Treasury Bonds including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. / AT THE CLOSE

U.S. Home Sales Up, but Income Flat

WASHINGTON (AP) — Sales of new U.S. homes rose a stronger-than-expected 11 percent in June to the second-highest level in nearly four years...

3M Earnings Gain Braked by Dollar

ST. PAUL, Minnesota (Bloomberg) — Minnesota Mining & Manufacturing Co. said Friday that second-quarter earnings had risen 4.2 percent...

Apple Drops First Newton on Market

CUPERTINO, California (Bloomberg) — Nearly 15 months after it unveiled the Newton Personal Digital Assistant, Apple Computer Inc. said the actual product would go on sale Monday.

K-III Quarter Loss Put at \$17 Million

NEW YORK (Bloomberg) — K-III Communications Inc. controlled by the New York buyout firm Kohlberg Kravis Roberts & Co. said Friday that its second-quarter loss had narrowed to \$17.5 million...

Allegheny to Acquire Underwriters

NEW YORK (AP) — Allegheny Corp. said Friday it had agreed to acquire Underwriters Insurance Co. for \$203 million from a holding company...

Aetna Credits Cost-Cutting for Profit

HARTFORD, Connecticut (Bloomberg) — Aetna Life & Casualty Co. said Friday its cost-cutting efforts helped the diversified insurer post a profit from operations in the second quarter.

Microsoft Data Reportedly Sought

CHICAGO (Reuters) — The Justice Department has received clearance to review the Federal Trade Commission's deadlocked investigation into alleged anticompetitive practices by Microsoft Corp. in Chicago.

U.S. FUTURES

Table of U.S. Futures including Grains, Soybeans, and Corn.

Metals

Table of Metals futures including Silver, Gold, and Platinum.

Livestock

Table of Livestock futures including Cattle and Hogs.

Food

Table of Food futures including Coffee and Sugar.

U.S. TREASURY BONDS

Table of U.S. Treasury Bonds including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.

U.S. TREASURY (COST)

Table of U.S. Treasury (Cost) including 3-Month, 6-Month, and 12-Month.



NYSE Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

(Continued)

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Change. Lists various stocks and their performance.

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Change. Lists various stocks and their performance.

SMALL: Misconceptions Flourish in U.S. Debate on Business Tax Policy

Continued from page 9. Bradstreet's data as inaccurate and Mr. Birch's method of analyzing it as deficient. Furthermore, much of the criticism that has been directed at Mr. Birch perhaps should be directed at the politicians and lobbyists who routinely misuse his studies or draw appealing but unjustified conclusions from them.

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Change. Lists various stocks and their performance.

INTERNATIONAL FUNDS

Questions supplied by funds listed. Not exact but questions are supplied by the Funds listed with the exception of some options based on issue prices.

Large table listing various international funds with columns for fund name, share price, and other details.

Large table listing various international funds with columns for fund name, share price, and other details.

RESULTS

Table listing results for various funds, including fund names and performance metrics.

TO OUR READERS IN SWITZERLAND It's never easier to subscribe and save. Just call our Zurich office toll free: (01) 481 82 88.

In China, It's Tough to Get Bigger

Ambitious Firms Find Many Barriers to Expansion
By Kevin Murphy
International Herald Tribune
SHANGHAI — Bigger is now better, according to Beijing policymakers and a host of Chinese enterprises aspiring to rapidly grow into national industrial groups.

But for would-be domestic conglomerates recently let loose in the market system emerging in China, several major obstacles still hinder the path to expansion.
Managers of former state-owned enterprises now listed on China's two stock markets cite capital shortages, bureaucratic restrictions and regional protectionism by provincial governments as nightmares ruining their corporate dreams.

"We encourage the state-run enterprises to cooperate with each other," said Sun Yanhu, senior economist with the State Commission for Restructuring the Economic System, a high-level Beijing think tank and the supervisor of China's economic transformations.

"We also encourage the formation of large groups to become larger concerns," he said. "It will boost their economies of scale and aid their international competitiveness."

Some industrial groups have benefited from the government's bigger-is-better thinking. Giant enterprises previously restricted to export businesses, such as those in China's metals industry, are now allowed to operate in the domestic market.

However, hands-on managers such as Song Zhuang Fei and Xu Rong Yi, heads of two of China's largest publicly traded groups — Shanghai Tire & Rubber Co. and Shanghai Chlor-Alkali Chemical Co., respectively — have yet to see these "expansion-is-good" theories put into action in their sectors.

"There are 200 tire factories in China, but most are our competitors," Mr. Song said. His company's Double Coin and Warrior tires are China's largest sellers despite a 10 percent higher price than their nearest rival — who sells only half as many tires.

"We want to expand market share through buying plants in other cities, but the government won't let us," Song Zhuang Fei, head of Shanghai Tire & Rubber Co.

At the same time, many ambitious companies are finding it increasingly difficult to raise capital because of China's tightening of credit, in its effort to control growth and inflation.

And a steady slide in the stock market related to nervousness about Beijing's ability to slow down the economy without stopping it in its tracks has blocked another avenue of fund-raising.

However, few provincial and local governments are likely to allow prosperous businesses in their domains, and the prestige and political power that go with them, to fall into outside hands.

At the same time, many ambitious companies are finding it increasingly difficult to raise capital because of China's tightening of credit, in its effort to control growth and inflation.

And a steady slide in the stock market related to nervousness about Beijing's ability to slow down the economy without stopping it in its tracks has blocked another avenue of fund-raising.

Hyundai Locks Out 18,000 Workers At Ulsan Shipyard

On Tuesday, company officials closed Hyundai Heavy Industries Co., a major producer of wood and plywood for furniture, under pressure from the government to settle a dispute there before the end of July.
Hyundai officials said the shipyard in the southern city of Ulsan, would remain closed until union officials accepted a company offer of a 4.7 percent wage increase. The company said the dispute had cost it \$125 million in sales.

The decision to shut down South Korea's largest shipyard came after negotiations broke down over a union demand that the company rehire dismissed union leaders.

Hyundai officials warned that they would allow thousands of riot police posted around the shipyard to intervene if workers staged illegal protests.

The dispute began July 2 after the union demanded a 20 percent pay increase. The company rejected the demand, and employees responded with work stoppages.

About 12,000 riot police have been stationed in Ulsan since July 23, when workers voted to end a labor dispute at Hyundai Motor Co., South Korea's largest auto plant, which is in the same city.

Meanwhile, consumer prices fell 0.1 percent from May but rose 0.9 percent from June 1992.

The Labor Ministry's jobs-to-applicants ratio fell to 0.74, its lowest since September 1987, from 0.81 in May, meaning there were only 74 job offers for every 100 applicants.

Mr. Cato said the Reserve Bank did not have a lot of room left, "there's not a lot left to cut."

Treasurer John Dawkins said, "It's a step which will make a modest contribution to the sustained recovery in the economy."

Mr. Cato said the Reserve Bank did not have a lot of room left, "there's not a lot left to cut."

Treasurer John Dawkins said, "It's a step which will make a modest contribution to the sustained recovery in the economy."

Investor's Asia table with columns for Exchange, Index, Friday Close, Prev. Close, % Change. Includes data for Hong Kong, Singapore, Tokyo, Kuala Lumpur, Bangkok, Seoul, Taipei, Manila, Jakarta, New Zealand, Bombay.

Very briefly:
Taiwan Aerospace Corp. said it would delay until Aug. 31 a capital increase necessary for its planned \$375 million joint venture with British Aerospace PLC.

Belren Printing Machinery Holdings Ltd., which plans to be the fourth Chinese state-controlled company to list its stock in Hong Kong, said its share offer was oversubscribed 25 times.

China ended more than 40 years of condemnation of commercial art, announcing China Art Expo '93. The fair, Asia's biggest art exhibition, is to be held Nov. 16 to 25 in Guangzhou.

South Korean unemployment hit 3.2 percent in June, the highest rate since 1987.

Federal Express Corp. denied it had decided to open a hub at the former Subic Bay Naval Station, although the site remains under consideration; last week, a Philippines official said the company had rejected on Subic.

Australia Rate Cut Seen As Too Little, Too Late

SYDNEY — Australia's central bank cut its official interest rates Friday in a bid to ridge the country's painfully slow economic recovery, but economists said it was unlikely to induce the spurt of growth needed to create jobs.

The Reserve Bank said it would cut the money market to cut official cash interest rates to 4.75 percent, from 5.25 percent, in response to continuing slow growth and low inflation. The rate is the benchmark by which retail banks set the lending rates for business and housing.

The chief economist at Bankers Trust, Chris Cato, said the rate cut — the 15th in more than three years — would not have a lot of immediate impact on economic growth.

Economists said the move, showed the central bank was more concerned about high unemployment and slow business investment than the budget and current-account deficits.

Hans Kunnem, an economist with State Bank of New South Wales, said, "I don't know whether anyone believes a half-a-percent cut will set the world on fire."

Mr. Cato said the Reserve Bank did not have a lot of room left, "there's not a lot left to cut."

Treasurer John Dawkins said, "It's a step which will make a modest contribution to the sustained recovery in the economy."

Mr. Cato said the Reserve Bank did not have a lot of room left, "there's not a lot left to cut."

Treasurer John Dawkins said, "It's a step which will make a modest contribution to the sustained recovery in the economy."

COMPANY RESULTS

Table of company results for United States, including Allied Signal, Ford Motor, General Motors, etc.

Table of company results for Europe, including BSA, Fiat, Renault, etc.

Table of company results for Asia, including Philips Petroleum, Shell, etc.

London for Less

will buy you a new air-conditioned room, with private bath, at one of London's most convenient locations:
£49.50

Table of London hotel rates and contact information for Comfort Inn.

CALL FOR LESS
Tired of being charged two or three times US rates for international calls?
Sick of hotels that add 50% or more to every phone call?

KALLBACK DIRECT
KALLBACK beats the high cost of making calls from hotels and from abroad. Save over 50%!
With KALLBACK all you do is dial an assigned number, let it ring once and hang up.

AMEX Friday's 3 p.m.

AMEX Friday's 3 p.m. table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

AMEX table with columns for High, Low, Last, Change.

Saturday-Sunday, July 31-August 1, 1993 Page 14

THE MONEY REPORT

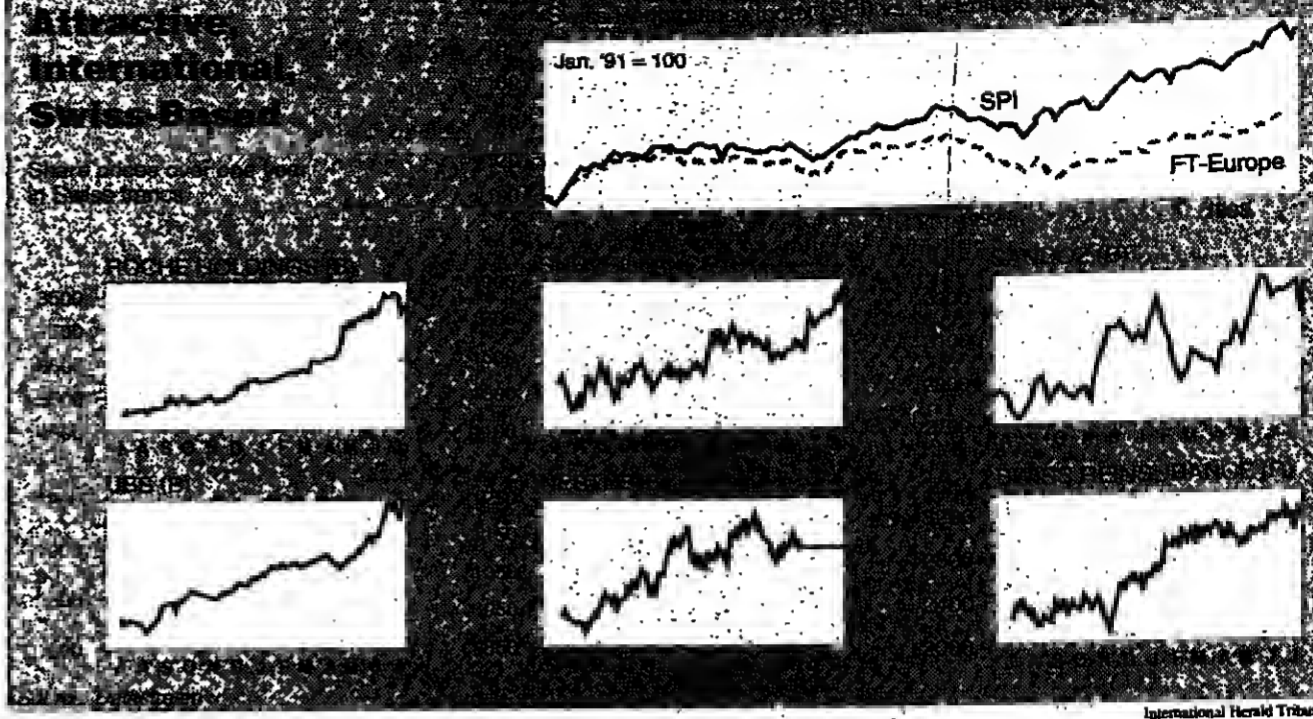
FIRST COLUMN EMU, a Bird That Never Will Fly

THE Bundesbank's failure to throw the European economy a life preserver this week represents the final nail in the coffin of European monetary union...

Swiss Companies Lift the Veil and Equities Like the Light

By Philip Crawford SWITZERLAND'S luster as the jewel of the international banking community may have faded with the emergence of offshore centers...

is pharmaceutical giant Sandoz AG, the 13th largest pharmaceutical company worldwide and a leader in certain fields...



But Ian McEwen, a banking analyst at Merrill Lynch in London, thinks the Swiss majors have seen their summit...

who covers the company for NatWest Securities in London. "Most large branded food companies have been under pressure lately...

about four times the size of its nearest competitor. Its 1992 operating profit of 218 million francs was up by 8.9 percent...

New leadership in Japan, Currency tensions in the EC, A push for peace in Bosnia, Renewed terrorism in Italy, China's export drive. Includes a coupon for a 44% discount on the IHT subscription.

Table with 2 columns: 'Since January 1, 1993' and 'Since July 1, 1992'. Lists various gold funds and their performance metrics.

Prospectors in Gold Market, Beware

By Digby Larner FOLLOWING its recent flirtation with the \$400-per-ounce barrier, the price of gold finally smashed through it on Friday...

months. I doubt it will do the same during the next six months. Those sharing Mr. O'Neil's view put this year's gains down to freak market conditions...

The downward trend in interest rates looks the most promising. During the price explosion of the 1970s, when the gold price leapt from \$35 in 1972 to \$830 in 1980...

Subscription rates and savings of IHT newspaper. Includes a table with columns for Country/Currency, 12 months, 6 months, and 3 months.

BRIEFCASE A Lazard Offshore Fund Now Available in Britain. The Lazard Income Plus Fund, launched by Lazard Fund Managers...

THE MONEY REPORT

In Battles With Brokerages, Arbitration Experts Can Tip the Scales for Claimants

By Michael D. McNickle

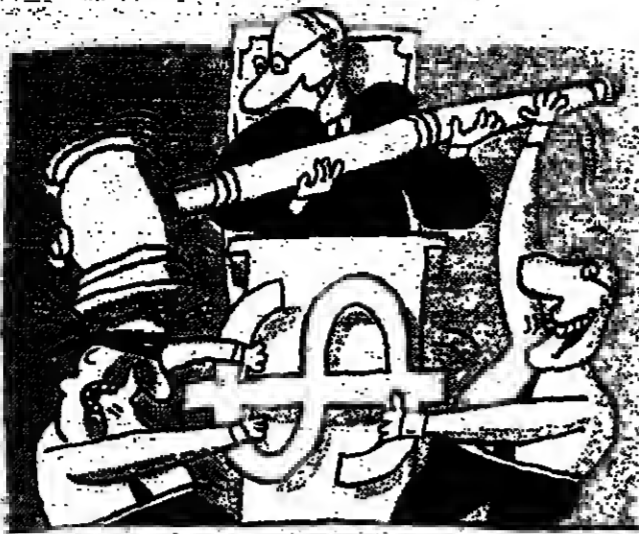
YOU'VE been burned. That nice \$200,000 in limited partnerships that your broker said would be worth a bundle are now nearly worthless. Is there any chance of recovering the money?

Ten years ago the answer probably would have been no. Arbitration panels were stacked almost exclusively with industry insiders. Litigation? Time consuming and maybe as expensive as the investment loss itself.

Today, experts say, things have changed, even for sophisticated investors. Samantha Rabin, an executive with the New Jersey-based securities Arbitration Commission, which monitors thousands of cases, said, "We're seeing a trend where sophisticated investors are recovering substantially in arbitration."

And, she added, "In some instances you're looking at big arbitration awards, and in others there were big dollars and cents damages." Ms. Rabin then rattles off the names of four cases in which awards or damages ranged from \$1 million to \$10 million. "Arbitrators," she said, "are paying far more attention to what the broker or dealer should or should not have done, regardless of the circumstances of the claim or customer."

The four noteworthy cases de-



tailed by Ms. Rabin all had one thing in common: The customer hired professional representation. In all but the smallest claims, experts say, it makes sense to have an experienced advocate, because the investment firm will certainly have theirs.

"Brokerage firms will fight you every step of the way," noted Anthony P. Zinge, an attorney with the Tampa, Florida, law firm Johnson, Blakely, Pope, Baker, Ruppel and Burns, which specializes in securities arbitration.

Specialists also note that an arbitration professional can help even the odds up for individuals facing

big investment companies. Michael L. Paule, president of Investors Arbitration Services, Inc., based in Woodland Hills, California, said, "Big firms have been through thousands of these things." The average investor has not been involved in a single case.

IAS is one of a growing number of companies that represent customers in arbitration matters, although they are not law firms. The company is weighted with staff members who have defected from brokerage firms, and they use that knowledge to dig up information and anticipate strategies that brokerage firms employ. IAS literature

says the firm will assign an attorney to a case when needed.

Investors looking to file a claim should know that the system of dispute resolution is relatively new. Industry experts say that the current arbitration environment is largely the result of the 1987 Supreme Court McMann decision, which in essence upheld the validity of agreements customers usually sign to arbitrate rather than litigate disputes.

Since then, the number of arbitration cases has mushroomed, with the National Association of Securities Dealers alone receiving 4,379 claims in 1992 compared with 1,400 in 1985. Major stock exchanges and the American Arbitration Association may also be designated to hear cases.

When arbitration emerged as the only game in town, pressure mounted to do away with some of the quaint traditions of the brokerage business, like having a panel of three brokers decide on actions involving one of their own colleagues. Cases are now decided by a panel of two individuals from outside the industry and one person from within.

So with all the changes, how well does the system work? A study by the U.S. General Accounting Office, an investigative arm of Congress, found "no indication of a pro-industry bias" in arbitration cases. The agency did, however, find that there was a lack of inter-

nal controls in selecting competent and independent arbitrators.

As a result, experts say that, even though on average investors receive awards in about 60 percent of the cases, and win roughly 60 percent of the amount they asked for, the actual decision process can be a bit haphazard. Mr. Paule of IAS said, "You can have the same case [before] two different panels [and wind up with] different results." And for the most part, the panels do not have to explain the logic behind their rulings. Decisions are "binding and final," according to IAS, and can only be appealed "under very special circumstances."

The GAO report says that the chances of winning a case improve markedly when the investor is represented by an attorney. The GAO noted that customers who sought

attorney representation "were about 1.6 times as likely to receive an award in excess of 60 percent of their claim, the average amount awarded."

Attorney and non-attorney representatives say they may be even more successful in arbitration than the GAO statistics suggest. Mr. Paule said, "We have resolved cases where money was paid to the client in about 85 to 90 percent of our cases." A good securities lawyer may claim roughly the same percentage of wins. But that does not mean necessarily that the full amount of the loss will be recovered.

If the claimant does recover, around a third of the award will usually go toward attorney or arbitration service fees. Some representatives will ask for a retainer to

cover expenses. Firms working on a contingency fee basis may also be reluctant to accept the less promising cases, which may be part of the reason their claimed success rate is so high.

Whether and how much the investor recovers may depend on a number of variables ranging from the exchange or industry association that hears the case to the specific type of broker misconduct involved.

Mr. Zinge said that winning in arbitration is often contingent on the kind of broker dishonesty involved. "If one was defrauding customers, regardless of their level of sophistication, it will be easier to prove a suitability claim," he noted.

Experts also say that customers should be diligent in monitoring their own accounts, particularly

those who are active traders. Guy M. Burns, a partner with Johnson, Blakely, Pope, who won a \$5 million award for an arbitration client, notes that a sophisticated investor who does not pay attention to activity in his account can wind up facing a brokerage firm's "traffication defense." The brokerage firm, Mr. Burns said, may argue "that a sophisticated investor should have known and taken action" to avoid losses.

Despite some of the defenses, specialists say, arbitration is a viable way to get back money lost through unscrupulous brokers. Mr. Burns, with some 60 cases against brokers and investment firms pending, said that the sophistication issue was no longer the driving force in cases that it once was. "It's not OK to lie to a rich guy," he said.

Analysts' Estimates of British Company Results

Table with columns: COMPANY, End of financial year, Earnings est. for '93 (financial year), Last month's est., % change, Last month's closing price, Current price, % change, P/E (est.), No. of analysts' est. used.

For Collectors, Tintin Is a Serious Read

By Thomas Crampton

TINTIN, the teenage comic book hero who has entertained European children since the 1930s, is moving from the playroom floor to the salesroom floor. According to some analysts, a recent upsurge of interest in Tintin memorabilia might just send prices skyrocketing, destination moon.

Roland Buret, specialist in comic art for the Paris auction house Nèret-Minet, is bullish. "Apparently, Tintin is a good investment," he said. "Although there has been no jump, over the last five years prices have risen steadily. Keep in mind that in same period the market for modern art has dropped 30 to 50 percent."

Market observers say that the Tintin books, created by Georges Rémi under the nom de plume Hergé, appeal to a wide range of collectors. "Obviously, there are the Tintin fans, but also bibliophiles for the books and art collectors for the original drawings," Mr. Buret said. "A new type of buyer is also appearing. I would call them speculators, those buying Hergé drawings and books to make money."

Mr. Buret sees a change in the way comic books in general are viewed. "People are appreciating what aesthetically and graphically comic books can be seen as art. After all, there are those modern painters like Eero, Lichtenstein and Warhol who were inspired by comic books. Instead of buying a Lichtenstein that is an imitation of a comic book, people are buying the real thing."

Jane Hay, comic art specialist at Christie's, South Kensington, says she has watched the value of comic book artwork increase steadily over the last 10 years. "People are not going to compare these works to the Impressionists, but they will compare them to contemporary works of British, French, and American artists," she said.

Ms. Hay, who is organizing an August auction in London of the comic book "Dan Dare," said that "with comic artwork, buyers can get real value for money." She said, "The works are beautifully executed and greatly underappreciated. The time has come to give comic artwork a higher profile."

"As soon as museums start buying, that will give a long overdue official recognition to Hergé, and the market will take off," Mr. Buret said. "Two representatives of modern art museums were present at the last auction, one from New York, the other from Holland—they didn't bid though."

At a Paris Tintin auction this June, Mr. Buret expected to raise 800,000 francs (\$160,000). "Instead, we sold 90 percent of the lots and ended up with 1.5 million francs. This is comparable to the amount raised by a respectable modern art auction at Sotheby's or Drevoet," he said.

Mr. Buret stresses the fluidity of the market, citing the resale of one



original drawing the day after the auction for a markup of 500,000 francs. Although he points out that this was an exceptional case, Mr. Buret sees Tintin as a solid long-term investment.

"In fact," Mr. Buret said, "since the interest in Tintin is one of nostalgia, the market will develop. People are willing to pay a lot for original drawings of books they read as children. For this reason, I am sure the drawings from the books that came out in the 1960s will soon gain value."

NOT everyone is quite so sanguine about the prospects for the market. Although Mike Heseltine, book illustration expert for Sotheby's, recently sold a copy of the first English edition of "Flight 714" at a London auction for £240 (£370), he sounds a note of caution: "Back in the 1960s we found animation cels for Snow White and Robin Hood were selling for good prices. This sort of thing gaining in value is nothing new."

Mr. Heseltine further cautions investors about the fragility of such markets. "It is amazing how the lack of an undercurrent in such markets can make this sort of thing fall flat," he said. He points out that there is no way to ensure long-term value. "Markets for this sort of collector's can often be quite disoriented, even by as few as two very keen collectors."

For those wishing to buy original drawings, the market is small. Although there is some controversy over exactly how many prints Hergé himself colored by hand, at least five original prints have been authenticated. The latest one to change hands, the cover of the "Cigars of the Pharaoh," sold for 3.5 million francs in Paris.

Although several thousand black ink drawings exist, most are held by the Fondation Hergé, the Belgian institute that collates and preserves the illustrator's work. Mr. Buret estimates that only 50 to 60 pages of prints are actually circulating on the market. "When they were made," he said, "nobody thought they were of any value. They were just making books for children. The ones on the market are those that Hergé gave away to friends as gifts."

More plentiful, and, according to Mr. Buret, more interesting, are the pencil sketches. "In the pencil drawings you see the evolution of his thoughts, his hesitations. You can really feel the hand of the master." In the Paris auction this June, the pencil drawings sold for a more modest 70,000 to 120,000 francs per page.

With the value of first editions, many people may unknowingly possess a hidden treasure worthy of Red Rackham. Marc Brun's only qualification in the lore of Tintin was having read him as a child in Paris. He attended a recent Tintin auction and discovered that his 14-year-old son had \$2,000 worth of early editions in his closet. "I immediately took away the old books I had given my son, and bought him some modern copies to read."

Christian Verleegers, who runs a comic book store in Liège, Belgium, says buyers should be wary of the condition of the books. "In mint condition, almost any one of the books is a safe investment. Books in mediocre condition are really not worth buying," he said. "A 40-year-old volume will be

worth anything from 10,000 francs to 50,000 francs," Mr. Buret said.

Mr. Verleegers says the pressure of the market has pushed up the value of all Tintin books, not just the oldest ones. "When collecting of Tintin began," he said, "the price of the black and white editions went so high as to scare off many collectors. The result was a rush on the color books. Now both the early black and white version and the later color version sell for the same amount."

TOP FUNDS: North Star Group of Companies operates 23 investment funds which have been awarded No. 1 by Lipper's of the US in 1983, 1987, 1988, 1990, 1991 and 1992.

OFFSHORE COMPANIES FROM ONLY US\$250: Where real money matters are concerned, there are no substitutes. High net worth individuals... for tax efficiency, privacy and protection of assets.

OFFSHORE FUND GUIDE: Over 1000 Offshore Funds. Names, Addresses, Telephone & Fax Numbers.

OFFSHORE COMPANIES: INSURANCE/REINSURANCE COMPANIES BANKS ASSET PROTECTION ASTON CORPORATE MANAGEMENT

No. 1 OFFSHORE COMPANY SPECIALISTS: Professional Notaries, Full Accounting and Administration Services available in 28 countries.

Since 1796\*, we have taken a certain pride in believing that freedom is man's greatest achievement. A professionally managed estate is one way to assure the best possible conditions for enjoying freedom. GROUPEMENT DES BANQUIERS PRIVÉS GENEVOIS. A vision of liberty.







DAVE BARRY

Space Station Lite

MIAMI — In today's edition of the "Science Nook" we're going to discuss some exciting developments in the field of putting portholes in cows. But first we have a News Update concerning Space Station Freedom.

As you may recall, Space Station Freedom was one of several excellent science ideas that Ronald Reagan had back in the 1980s, when the federal government had big piles of spare money lying around.

The point is that Space Station Freedom, through a complex process that is not understood by ordinary civilians, dumps money into the districts and states of influential members of Congress, thereby enabling them to claim that they have created jobs, which is of course the purpose of the federal government.

So far we've spent around \$9 billion on Space Station Freedom, and we've made tremendous progress by every conceivable standard of measurement, except the standard of having a station that we could put up in space. To do THAT, we'd have to spend a LOT more money, something like \$20 billion, not including the outdoor space barbecue grill option.

There was talk of cutting the

space station too. Fortunately, the project was saved when President Clinton endorsed a plan for a scaled-down version, sort of a Space Station Freedom Lite, which will cost only another \$10 billion. Of course the size reduction will require certain compromises: We'll have to use small astronauts with short nicknames and no more than two pieces of carry-on luggage, and they'll have to restrict their weightlessness experiments to very tiny organisms, such as germs.

HOUSTON MISSION CONTROL: How're they doin', Bo? ASTRONAUT (squinting into microscope): They're throwin' up Houston.

So Space Station Freedom has been kept up on Congress to keep Space Station Freedom alive. Even if it turns out to be too costly to launch into actual orbit, we should go ahead and build it, to create jobs. We could then put it in some area that could use a space station, such as West Virginia.

Meanwhile, we should all be thinking about the scientific implications of putting portholes in cows. This is going on at Washington State University, according to a Seattle Times article sent to the Science Nook by many alert readers. The article states that an agriculture professor named Roger Calza has installed a 6-inch-wide tube in the side of a cow so that he can study what happens to undergraduates when they peer directly into a cow. ("They're throwin' up Houston," Roger, Roger.)

No, that's not the reason. Calza installed the porthole so he can determine, for agricultural purposes, exactly what goes on in the interior of a working cow's stomach. It turns out that the scientific answer is: You don't want to know. Here at the Science Nook we are very excited about this discovery, and we think Congress should give Calza several billion dollars so he can create jobs by installing portholes in other types of organisms, including cats, snakes, hoists etc. Maybe we could even gain important scientific insights into the legislative process by installing a porthole in the head of a member of Congress. Speaking of space.

Ordinarily, our elected congressmen would think nothing of spending another \$20 billion, but recently they were shocked to discover, during a routine audit, that a gigantic federal budget deficit had somehow developed without anybody knowing about it or being responsible for it or anything. So now they're cutting spending like crazy. There was talk of cutting the

Knight-Ridder Newspapers

Call It Rap, With Orwell and Camus

By Mike Zwernin

NICE — Ishmael Butler has the same first name as the narrator of "Moby Dick." When I asked him if that was just a coincidence, he replied: "No. My father is a professor. He likes Herman Melville."

Along with Mary Ann Vieira ("Ladybug") and Craig Irving ("Doodlebug"), Ishmael Butler a/k/a "Butterfly" is one of three rappers in Digable Planets, and its leader and spokesman. The group's first album, "Rechin' (A New Refutation of Time and Space)" has been on the charts for five months and is approaching the promised land called Platinum, a million units moved.

"What are you reading now?" I asked him.

"Che Guevara's diaries. For the second time." We talked on successive afternoons — pre- and post-game, as he put it. In between, I'd heard their set. A live rhythm section and trumpet and alto saxophone and a DJ scratching LPs and programming samples synthesized with "spographics" or "sazettes," as The Last Poets called their embryonic rap in the early '70s. The Digable Planets has an exceptional amalgam of aesthetic freshness, personal charm and commerciality. It is still nascent prodigy, they have a way to go. I'd had a similar flash of a future that seemed suddenly, for better or worse, inevitable hearing jazz-rock fusion (by the British group Soft Machine) for the first time in the summer of 1967, just down the coast in Saint-Tropez. In that case, others — Miles Davis, Joe Zawinul, John McLaughlin — would pick up the potential and carry the ball.

In this case, it struck me that Ishmael, more than the group itself, has the promising future. At 23 he is not somebody to be satisfied with predetermined categories. He said he was tired of being dug for the wrong reasons. Whatever is "wrong" or "right" about rap, a rapper is not all that he is, or will be.

"Hip-hop has to change all the time," he told Details magazine, "because the African-American community changes at such a rapid pace. Especially in the use of language. To manipulate language, to use it, juxtapose it, break it down, set it back. That's the fun part."

"Why are you reading Guevara's diaries twice?" I asked. "Revolutionaries are incredible," he said. "They sacrifice their own lives because they feel they can make a difference. And I think Che was a very big guy, a very good person and quite a good thinker as well. As we tour around and see a lot of places and situations, I put myself in his position. I keep a journal too."

"You consider yourself a revolutionary?" "Not really. A revolution is no longer possible in America. It's too late. America is destroying itself because of greed. It doesn't love its own inhabitants. And we didn't write a pro-choice song to change the world. It doesn't work that way with us. Perhaps we can affect the lives of a few individuals along the way, but there's no hope for America."

"That's pretty depressing."

"No, just realistic. I'm not unhappy. I just think that the only people who have a chance to be happy are the ones who realize what's really happening in their existence. I mean, I steal a little bit from Camus, but it's true. You have to understand what's really going on to have the tools to be happy. Otherwise you're fooling yourself. You can only be happy if you are aware how bad things are."

Rap is often more interesting to write about than listen to. This is not the case with Digable Planets, but textual references to Orwell, Sartre, Dali and "Bird on a Wire," and musical samples of Herbie Hancock, Art Blakey and Sonny



Ishmael Butler, left in front row, and members of the Digable Planets.

Rollins may be amiable but came across like sound-dropping. The unrelenting drum machine can be mind rattling. I asked Butler if he didn't miss variety, melody for example. "If somebody misses that" — he stroked his beard, "then they have to decide if they miss it badly enough to not listen to rap at all. Or do you just accept that you miss it? Because melody is definitely not there. I don't think it ever will be. And the way America is... how can you make melodies in a place like that?"

"What about machine-made swing?" "No machine can ever swing like Elvin Jones, but so what? Why does it have to? Swing is great but after you have done swinging, there are other things you can do. Look, we have nothing to apologize for. Rap is a sort of jazz form of language, finding out new ways to say things, using words like notes, putting them in lines, turning them upside down, inventing them. Rap is what it is, that's all it ever has to be. If it goes on to be something else, hey, that's great too. But what's happened is that so-called hard-core rappers go out there and say I shot this person, I slept with this or that woman and if you don't like it too bad, this is done by people who originally really lived that kind of lifestyle. But now they are successful, they are no longer in touch with their emotions."

His father, who got his Ph.D. three years ago, was studying for it while Ishmael grew up. There was not much money. But they also lived in "areas people might call ghettos" by choice; his father did not want to lose contact with the class of people he came from. Ishmael was "out on the streets. Every kid in the neighborhood was going to the corner store to take sodas; they rob, smoke weed, fight, have guns. In some cases I did those things too, and I got in trouble in my lifetime. But once I walked through the door of my house, I knew what was cool because my father was cool. He told me how not to succumb to that lifestyle. That's how I can sit here today and not be in jail or dead."

"Are you sure you're still in touch with your real emotions? What about the pressure of success?" "Pressure only has meaning if the person who is in a pressurized situation acknowledges it. If I can deal with it, then it's not pressure any more. Success is a funny thing, man. You get your picture in a couple of magazines and soon that's all that matters. Our album has a lot of substance to it, but in America any political, social or cultural messages become diluted when millions of people are listening to you. It's more about what people are looking like than what they're looking at. I can't figure out why that is."

PEOPLE

It's McGinniss's Turn: Victim of Conspiracy?

Joe McGinniss, the widely criticized author of a new biography on Senator Edward Kennedy, says he is being wildly misjudged while "Teddy" is getting a free ride." McGinniss, who has been accused of plagiarism, trying to cash in on the Kennedy and simply writing a very bad book, said in an interview that he was the victim of a conspiracy by the Kennedy family to destroy his book and deflect attacks against the senator. Meanwhile, the book is reported to be selling briskly.

The "historical find of the century" or a hoax? The American publisher of a diary purportedly written by Jack the Ripper told The Washington Post that it will cancel the book if questions about the document's legitimacy cannot be resolved. The book is scheduled for worldwide release on Oct. 7, a date being touted by its English publisher as "the day the world's greatest murder mystery will be solved." But Nick Warren, editor of the journal Ripperman, called the book "an obvious hoax." John Ross, curator of the crime museum in New Scotland Yard, said, "The whole thing's preposterous. At best, it's another suspect. But we've got specs coming out of our ears."

Celebrity auctions: The handwritten lyrics to John Lennon's song "I Am the Walrus" were sold in London to a private collector in St. Louis, Missouri, for \$400,000 (about \$600,000), and a collection of 3,000 photographs of the Beatles went for \$24,000. Earlier, the same collector bought Edna Smit's collection of 48,000 records for \$181,000 (\$269,000). The proceeds went to a charity for AIDS victims. Meanwhile, 60 Sotheby's experts are assessing the value of 75,000 bottles of wine and 3,500 works of art that Princess Gloria von Thurn und Taxis is putting up for sale Oct. 12-21, along with a third of the estate's porcelain and jewelry, in order to pay off hefty death duties on the family fortune.

INTERNATIONAL CLASSIFIED. Appears on Pages 4 & 7.

WEATHER

Weather forecast tables for Europe, Asia, Africa, North America, Latin America, Middle East, and Oceania. Includes temperature and precipitation data for various cities.

THIS WEEKEND AT THE BEACH

Weather forecast tables for Saturday and Sunday across various regions including Europe and Middle East, Caribbean and West Atlantic, and Asia/Pacific.

If you're going to travel all over the map, here's how to call from almost any point on it.



AT&T Access Numbers table listing international dialing codes for various countries and regions.

AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries. International calling made simple is all part of The i-Plan from AT&T.

